

## **Minutes of the Finance Committee**

**Tuesday, October 9, 2012**

Chair Haukohl called the meeting to order at 8:30 a.m.

**Present:** Supervisors Pat Haukohl, Richard Morris, Dan Draeger, Pamela Meyer, Bill Zaborowski, and Cathleen Slattery. Larry Nelson arrived at 8:32 a.m.

**Also Present:** Chief of Staff Mark Mader, Programs & Projects Analyst Windy Jicha, Personnel Committee Chair Duane Paulson, County Clerk Kathy Nickolaus, County Board Chair Paul Decker, Chief of Staff Shawn Lundie, Corporation Counsel Tom Farley, Financial Analyst Kim Ho, Principal Assistant Corporation Counsel MaryLee Richmond, Budget Specialist Linda Witkowski, Administration Director Norm Cummings, Budget Manager Keith Swartz, Business Services & Collections Manager Andy Thelke, Information Systems Manager Mike Biagioli, Risk/Purchasing Manager Laura Stauffer, Financial Budget Analysts Danielle Igielski and Steve Trimborn, and Senior Financial Analysts Clara Daniels and Bill Duckwitz. Recorded by Mary Pedersen, County Board Office.

### **Discuss and Consider 2013 Operating Budgets for the Following Departments: County Clerk, County Board, County Executive, and Corporation Counsel**

#### County Clerk

Nickolaus and Paulson were present to discuss the proposed 2013 budget for the County Clerk's Office. Nickolaus indicated the 2013 budget shows a reduction from the previous year which is typical of those years with fewer scheduled elections. Nickolaus went on to discuss revenues and expenditures, the positions summary, and program highlights. Both revenues and expenditures for 2013 total \$534,710, a decrease of \$154,895 or 22.5% from the adopted 2012 budget. The positions summary shows a total of 4.93 full-time equivalent (FTE) positions, a decrease of 0.67. Nickolaus went on to discuss the reduction in dog license applications and the increase in passports, and potential future special elections which could impact the budget. Mader advised of minor verbiage changes in the budget.

**MOTION:** Morris moved, second by Zaborowski to tentatively approve the 2013 operating budget for the County Clerk's Office. Motion carried 7-0.

#### County Board

Decker, Mader, Jicha, and Paulson were present to discuss the proposed 2013 budget for the County Board Office. Decker said a focus was made on making efficiencies in the County Board Office for the 2013 budget. Decker discussed revenues and expenditures, the positions summary, and program highlights. Both revenues and expenditures for 2013 total \$1,167,493, a decrease of \$5,382 or 0.5% from the adopted 2012 budget. This is the sixth year in a row of actual tax levy decreases in the County Board budget. The number of FTE positions remains unchanged at 7.00. Decker praised the County's triple A bond rating and discussed how this rating, rare among other counties and the nation, saves the County money each year. Jicha discussed office initiatives that have resulted in reduced costs for mileage reimbursement, consulting services, copy machine toner, scheduling of audits, etc.

MOTION: Draeger moved, second by Morris to tentatively approve the 2013 operating budget for the County Board Office. Motion carried 7-0.

#### County Executive

Lundie and Paulson were present to discuss the proposed 2013 budget for the County Executive's Office. Lundie noted there is an increase of \$500 in "other revenues" for the County Executive's awards luncheon due to increased attendance. Lundie went on to discuss revenues and expenditures, the positions summary, and program highlights. Both revenues and expenditures for 2013 total \$559,569, an increase of \$500 or 0.1% from the adopted 2012 budget. The number of FTE positions remains unchanged at 4.69. Haukohl felt the strategic achievement overhaul should be included in their budget. Lundie said this was a 2012 initiative and should be completed within the first couple months of 2013. Paulson requested that this be noted in the 2013 budget whereby Haukohl concurred. Swartz said verbiage is included in the 2013 budget but additional wording will be added in the County Executive's budget.

MOTION: Zaborowski moved, second by Morris to tentatively approve the 2013 operating budget for the County Executive's Office. Motion carried 7-0.

#### Corporation Counsel

Farley, Ho, Richmond, and Paulson were present to discuss the proposed 2013 budget for the Corporation Counsel's Office which includes the Child Support area. Farley indicated revenues increase \$7,290 to \$459,390, primarily for legal services to the Health & Human Services Department. Farley went on to discuss revenues and expenditures, the positions summary, and program highlights. Revenues total \$2,591,902, a decrease of \$58,793 or 2.2% from the adopted 2012 budget. The County tax levy totals \$1,372,247, an increase of 43,346 or 0.2%. Expenditures total \$3,964,149, a decrease of \$55,447 or 1.4%. The positions summary shows a decrease of 1.25 for a total of 40.64 FTE positions. Haukohl noted one full-time position is being eliminated in the Child Support area. Farley said this will result in heavier caseloads although they will be looking at efficiencies. Haukohl asked if Child Support will be able to meet performance measures which are tied to child support funding levels/grants. Farley said yes and confirmed they will receive 100% of funding. To answer Haukohl's question, Paulson advised no concerns were expressed with this budget by the Personnel Committee.

MOTION: Nelson moved, second by Zaborowski to tentatively approve the 2013 operating budget for the Corporation Counsel's Office. Motion carried 7-0.

#### **2013 Budget Overview and Five-Year Financial Forecast**

Cummings and Witkowski reviewed the five-year financial forecast (2013-2017) as prepared by Department of Administration staff. Areas discussed included long-term strategic financial planning during a challenging fiscal environment, forecast environments (external and internal), operating expenditure projections, state/federal revenue reductions, revenue sources by functional area, and funding shortfalls/projections and closing the gaps. Other factors affecting the 2013 County budget and possibly beyond include the following:

- Slow economic recovery to continue.
- Moderate inflation for short-term (2%-2.5%).

- Volatile fuel prices for the short-term (\$3.65/gallon up from \$3.30/gallon).
- 2013 State revenues stabilize except for Youth Aids (down \$200,000) and transit operation assistance (down 55% to 53%).
- Property tax base decline.
- Increase of 3% in personnel costs including health insurance increases of 4% in 2013 and 7% for 2014-2017.
- The Debt Service plan includes a \$17 million issue for the 2013 capital budget with 2013 being the final construction year for the new human services building and the CTH L project. Debt borrowing returns to \$10 million for 2014-2016.

Swartz reviewed the “2013 Budget Summary” and “2013 Budget Tax Levy Breakdown” as outlined on page 23 of the proposed 2013 budget book. Countywide, Swartz indicated expenditures are budgeted at \$273,711,501, a decrease of \$10,907,149 or 3.8% from the adopted 2012 budget. Revenues (not including levy and fund balance) are budgeted at \$159,882,653, a decrease of \$3,315,407 or 2.0%. Most of that reduction is due to the capital budget fund balance which dropped substantially, from \$20.5 million last year to \$12.1 million this year. The County tax levy (excluding Federated Library) is \$98,798,522, an increase of \$761,039 or 0.776%. Factoring in the Federated Library, the County tax levy for 2013 totals \$101,729,126, an increase of \$808,157 or 0.801%. He noted that due to the decline in value, the actual tax rate will go up nine or ten cents. Swartz indicated that 2013 operating budget net expenditures are \$209,132,934 and total County net expenditures are \$237,002,934 after eliminating interdepartmental chargeback transactions. This is mostly from internal service fund operations and cross-charges (e.g., sheriff bailiff and conveyance services) included in gross expenditures to conform to government standards, but in effect results in double budgeting. Swartz advised the budget is within and slightly below the allowable tax levy limit imposed by Wisconsin Act 32.

Swartz went on to highlight proposed 2013 budgets per department/fund as outlined. Excluding capital projects, Justice and Public Safety and Health & Human Services account for about 64% of the budget. Public Works and Parks account for about 20%. Haukohl noted that County tax levy needed to pay for mandates is now up to 45.1%.

Swartz encouraged the committee to review County expenditure drivers and revenue highlights on pages 29 through 40, the various planning processes on pages 50 and 51, the financial management policies beginning on page 61, and the statistics and trends section beginning on page 519.

Countywide, a total of 1,501.17 FTE positions are budgeted in 2013, a decrease of 3.29 from the adopted 2012 budget. There is a net decrease of 1.12 FTE budgeted regular positions. Temporary extra help (net) decreases by 2.23 FTE (about 4,640 hours). Budgeted overtime increases by a net of 0.06 FTE, equivalent to about 125 hours.

#### **Discuss and Consider the 2013 Operating Budget for the Department of Administration**

Swartz and Cummings were present to discuss the proposed 2013 budget for the Department of Administration. Staff went on to discuss revenues and expenditures, the positions summary, fund purpose, program highlights, and strategic objectives. All departmental funds, revenues total \$12,331,589, an increase of \$31,596 or 0.3% from the adopted 2012 budget. The County tax levy totals \$4,662,854, an increase of \$20,000 or 0.4%. Expenditures total \$17,114,443, an increase of

\$98,808 or 0.6%. The positions summary shows a decrease of 1.10 for a total of 105.54 FTE positions. Cummings said the increase in levy will be used towards cost-to-continue personnel costs, cost-to-continue operating and interdepartmental, compensation (clerical) consultant study, and payroll processing/maintenance expense increases. Savings include audit contract savings, operating expenditure reductions from cost-to-continue, and revenue increases. Revenue increases include county-wide indirect revenues, procurement card rebates, Workforce Development Center (for operations manager), etc. Cummings and staff went on to review the 2013 strategic objectives as outlined in the budget book. Thelke advised of an error in the number of online payments in 2011.

MOTION: Zaborowski moved, second by Morris to tentatively approve the 2013 operating budget for the Department of Administration. Motion carried 7-0.

**Approve Minutes of Previous Meeting(s)**

MOTION: Nelson moved, second by Slattery to approve the minutes of September 19, 2012. Motion carried 7-0.

**Schedule Next Meeting Dates**

- October 10 (all day)

**Chair's Executive Committee Report**

Haukohl highlighted the following items discussed at the October 1 Executive Committee meeting.

- Reviewed 2013 proposed budgets for UW Cooperative Extension, Federated Library, and Non Departmental.
- Approved the Capital Projects Plan.
- Heard committee member reports on the Wisconsin Counties Association (WCA) Conference. As chair of the WCA Land Use & Environment Committee Haukohl moderated a session on wetlands and attended two sessions on frac sand mining, an activity which will have huge impacts on this state.

**Future Agenda Items**

- Discuss County role in the Workforce Development Center (Haukohl)

MOTION: Morris moved, second by Nelson to adjourn at 12:25 p.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski  
Secretary